

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6918

BILL NUMBER: HB 1290

NOTE PREPARED: Feb 22, 2008

BILL AMENDED: Feb 21, 2008

SUBJECT: Older Youth Foster Care.

FIRST AUTHOR: Rep. Avery

FIRST SPONSOR: Sen. C. Lawson

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill provides that an individual who received foster care a month before the individual became 18 years of age may petition a court to receive older youth foster care until the individual reaches 21 years of age if the individual is: (1) employed; (2) attending a vocational program; (3) attending an educational program; or (4) is planning on attending a vocational or educational program within six months of the individual's eighteenth birthday.

The bill also provides that the Department of Child Services shall implement a transitional services plan for an individual receiving: (1) older youth foster care; and (2) foster care who will become eighteen years of age or emancipated. It amends the definition of certain foster care terms to include an individual receiving older youth foster care. This bill provides that restrictions on the number of individuals that can be supervised and cared for in a foster family home or a special needs foster family home exclude individuals receiving older youth foster care.

The bill also adopts the Interstate Compact for the Placement of Children.

Effective Date: July 1, 2008.

Explanation of State Expenditures: (Revised) The Department of Child Services (DCS) currently provides foster care past the age of 17 in certain circumstances. DCS does provide some services to foster youth between the ages of 17 and 21 from funds available in the Chafee Grant (see [Background Information](#)).

Under the legislation, DCS would be required to provide programs that offer information regarding transitional services to specified individuals. DCS reports that they already provide transitional programs.

The legislation also adopts the Interstate Compact for the Placement of Children (ICPC). This Compact provides additional guidelines for placement of children not addressed in the compact language found in IC 31-28-4. Specifically, this bill codifies that DCS has no role in divorce or child custody proceedings. The Compact defines which state, either a state that receives or sends a child for placement across state lines, has responsibility of performing home studies. Additionally, the Compact specifies time lines for placement proceedings in order to expedite the placement process.

DCS reports that the provisions of the Compact will bear no additional fiscal impact on the state as there is currently an ICPC in place. [*Note:* The effective date of the compact is the later of either (1) July 1, 2007, or (2) when the compact has 35 states that agree to participate.]

(Revised) **Background Information:** The federal Chafee Foster Care Independence Program (CFCIP) is a grant that provides funds for the following; (1) case management services, (2) \$3,000 room and board until the age of 21, (3) Medicaid funds until age 21, (4) Education training vouchers of \$5,000 per year until the age of 23, and (5) \$1,000 emancipation services until the age of 21. In FFY 2004, Indiana received \$2.1 M in CFCIP grant funding to provide these services to foster children.

Currently, the state provides the Chafee Foster Care Independence Program that includes direct services for youth between the ages of 14 and 21 who are living in foster care or have aged out of the system. The funding for this program is to be used to transition foster children to self-sufficiency. Services include: (1) education, (2) training and related services, (3) preparation for and obtaining employment, (4) preparation for and entry into post-secondary training and educational institutions, and (5) providing personal and emotional support to youth through mentors and the promotion of interactions with dedicated adults.

Regarding the Interstate Compact for the Placement of Children, under the current ICPC, Indiana pays a membership fee of \$14,000 per year from funding allocated to DCS. Currently, there are 5 states in the current ICPC, an additional 30 would be required for the Compact to be effective.

FSSA reverted \$13.9 M to the General Fund at the end of FY 2007, of which \$300 was reverted by DFR. Additionally, DCS reverted \$9.5 M to the General Fund that same year.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Actual increases in local expenditures under the provisions of the bill will vary depending on the following: (1) the number of individuals that receive foster care within one month of the age of 18 and who petition the court to receive care past the age of 18, (2) the number of years they are permitted to receive foster care between the ages of 18 and 21, (3) the cost of providing foster care to the individual, (4) other revenue sources that can be used to offset the cost of providing additional foster care, and (5) the number of individuals who meet the qualification criteria contained in the legislation.

According to DCS, the fiscal impact of the older youth foster care provisions will likely be significant *if* the number of children that may be eligible for older youth foster care petition for and qualify for the program. This funding would come primarily from the county family and children's fund. According to DCS, the average cost per foster child in the state is \$15,000 with potential numbers of individuals ranging from 800 to 1,800. Costs can vary depending on services provided to children in foster care.

Currently, counties provide a per diem salary to foster care providers from the County Family and Children's

Fund. If additional individuals elect to receive foster care, this may increase the foster care facilities needed to house foster children. Actual increase in the demand for foster care is indeterminable.

The increase of the population of individuals that can receive foster care past the age of 18 will result in expenditures primarily at the local level. DCS reports these individuals would not be eligible for federal funding to cover the costs of their foster care due to age limitations. The legislation provides that individuals that receive older youth foster care are not considered in count restrictions of individuals that can receive services in either special needs foster family homes or a foster home.

Explanation of Local Revenues:

State Agencies Affected: DCS.

Local Agencies Affected: Local foster care providers, County Office of Family and Children.

Information Sources: Ann Houseworth, DCS; Mary Edmonds, DCS.

Fiscal Analyst: Bill Brumbach, 232-9559.